

CITY OF ALAMEDA

Memorandum

To: Honorable Mayor and
Members of the City Council

From: Lisa Goldman
Acting City Manager

Date: May 3, 2011

Re: Hold a Public Hearing to Consider Adoption of the FY 2011-2012
Community Development Block Grant Action Plan and Authorize the
Acting City Manager to Negotiate and Execute Related Documents,
Agreements, and Modifications

BACKGROUND

The City of Alameda is an Entitlement recipient of Community Development Block Grant (CDBG) funds from the Federal Department of Housing and Urban Development (HUD). CDBG funds finance programs and activities that benefit low- and moderate-income persons and households, and help prevent or eliminate slums and blight. To receive CDBG funding the City has to submit to HUD an Action Plan detailing the programs, activities and resources to address the housing and community development needs identified in the 5-Year Consolidated Plan. The FY 2011-2012 CDBG Action Plan, describing the proposed use of CDBG funds in the coming year, must be approved by the City Council and submitted to HUD by May 13, 2011.

All citizen participation requirements have been met for the public hearing, with publication of the public hearing notice in the April 1, 2011 Alameda Journal, as well as Chinese and Spanish-language newspapers. Provisions for non-English speaking residents and persons with disabilities were available. The FY 2011-12 draft Action Plan is on file at the City Clerk's office.

DISCUSSION

CDBG Funding Allocation

Earlier this year, the City of Alameda was informed that the CDBG allocation for FY11-12 could be cut by about 10 percent. However, on April 12, 2011, the City received confirmation from HUD that the CDBG formula program for FY11-12 will be reduced by about 16.2 percent (\$236,193), from last year's \$1,473,093 funding allocation, to about \$1,236,900 for FY11-12. Assuming the program income stays at the same level as the

previous year's \$200,000, the reduction in entitlement award translates into an approximately \$34,500 decrease in available funding for Public Services from \$250,000 in FY10-11, to about \$215,500 in FY11-12. To date, the exact CDBG and HOME allocation amounts have not been released by HUD.

CDBG Activities

The Action Plan Summary (Exhibit 1) summarizes the activities recommended for funding in the 2011-2012 fiscal year. The recommended activities in the attached Action Plan Summary are the same as what are described in the draft Action Plan. However, funding levels are different in some activities due to the further reduction in CDBG funding allocation for FY 2011-12. Staff used the 10 percent anticipated cuts for planning purposes in preparing the draft Action Plan. Due to deeper funding reductions, changes were made in Public Services.

Recommendations described in the Action Plan Summary are based on needs identified through a variety of community engagement activities, including results from the prior Social Service Human Relations Board's (SSHRB's) community needs survey, consultation with community-based organizations, sponsorship or attendance at neighborhood and/or community outreach events, and public comments received at the SSHRB and City Council meetings on community needs held on January 27, 2011, and February 15, 2011 respectively.

Public Facilities & Infrastructure: Five new capital projects are proposed for funding. The City will fund the McKinley Park Building and Court Renovation Project to allow the City of Alameda Recreation and Park Department to expand its on-site services to low-income households, and to meet building and facility standards. Another project to be funded with CDBG funds is the installation of library machine at Esperanza Housing to provide expanded library services to a low-income community. In addition, CDBG funds will be provided to Alameda Boys and Girls Club to demolish vacant buildings and playground equipment adjacent to the Club's newly built facility to convert the site into a community garden. Funding will be provided to the Alameda Food Bank for acquisition of a forklift to be used for the agency's operations providing emergency food assistance. The City will also fund the replacement of nurses pull stations at Independence Plaza, a 186-unit low-income senior housing project.

Public Services: This is the second year of a two-year funding cycle for Public Services, which is subject to a 15 percent cap. All previously funded programs are recommended for the second year of funding. At the January 27, 2011 SSHRB meeting, staff informed the Board about the possibility of deep cuts of up to 25 percent to the City's CDBG annual funding due to the federal government's efforts to reduce spending. SSHRB directed staff to return to discuss the Public Services funding for the second year in the event that the anticipated cuts exceed 10 percent of last year's CDBG funding. Due to the further reduction in available funding for Public Services from last year's \$250,000 to

about \$215,500 for FY2011-12, staff presented a range of options regarding how to further reduce Public Services funding at the SSHRB's April 28, 2011 meeting.

Among the options presented were dividing the reduction in funding equally among programs, cutting more funding from certain programs to save others, and/or funding program(s) with non-Public Services funds. SSHRB's funding recommendations for Public Services will be provided at the City Council meeting on May 3, 2011. All funding recommendations are contingent upon the receipt of sufficient funds to cover recommended project allocations.

Other Programs/Projects: Several programs and projects previously approved by the City Council with prior years' funding will continue during FY 2011-2012, including the Substantial Rehabilitation, Rental Rehabilitation, and Housing Rehabilitation programs. The Substantial Rehabilitation Program is funded in accordance with the requirements of the Guyton Settlement Agreement to develop new units in vacant or underutilized space in existing residential and mixed-use structures. Funding for the Alameda Accessibility Modification Program is provided by both the Rental and Housing Rehabilitation programs and offers grants to disabled residents to make accessibility modifications to their homes.

Economic Development: The Women In Business Program is again recommended for funding. Administered by the nonprofit organization Women's Initiative for Self Employment, the program provides small business training and financial support for low-income women who want to launch or grow a micro-enterprise business. The City will also continue to work with the Alameda Point Collaborative (APC), which had been designated as a Community-Based Development Organization (CBDO). The designation increases the City's flexibility to fund economic development-related initiatives, including employment training. The funding will continue to enhance the APC's entrepreneurial efforts, the Ploughshares Nursery, and Growing Youth Food Security Program. The Business Assistance Program, previously approved by the City Council with prior years' funding, will continue during FY 2011-12, with recommended additional funding.

Technical Assistance: Financial assistance will be provided to Habitat for Humanity to conduct a financial and feasibility study of renovating 32 homes at Coast Guard North Housing.

Planning/Administration/Program Delivery: The Action Plan includes allocations for Fair Housing services, EveryOne Home (formerly known as the Continuum of Care) support, program delivery, planning, and administration related to the development and implementation of all CDBG-eligible and CDBG-funded projects. In furtherance of the CDBG objective of assistance to lower-income residents, staff provides support to the Rent Review Advisory Committee, the SSHRB, and other similar activities.

Following approval of, and in accordance with, the FY 2011-12 CDBG Action Plan, grant agreements or modifications will be negotiated to fulfill Federal and City requirements. The form of agreements and modifications are the same as those previously approved by the City Council and City Attorney.

FINANCIAL IMPACT

The funds for this program are budgeted in the Housing Department's budget (Fund 236) to provide services and improvements to low- and moderate-income residents and neighborhoods. CDBG funds are also used to leverage private investment and matching grants from private, foundation, and other public sources for the benefit of Alameda. This Action Plan will appropriate approximately \$1.24 million in new CDBG Entitlement funds. Other CDBG funds noted in the Action Plan include: an estimated \$200,000 in program income from loan repayments and \$302,500 in reallocated prior year funding, which are both budgeted in the Housing Department's budget (Fund 236). There is no impact on the General Fund.

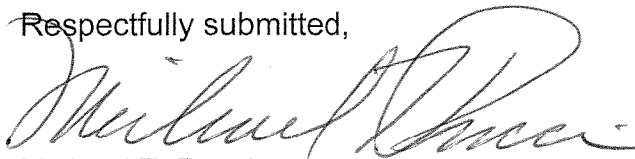
ENVIRONMENTAL REVIEW

The execution of related agreements and final funding commitments are subject to satisfactory environmental clearance under 24 CFR Part 58.

RECOMMENDATION

Adopt the FY 2011-2012 CDBG Action Plan and authorize the Acting City Manager to negotiate and execute grant agreements, grant modifications, and other related documents.

Respectfully submitted,



Michael T. Pucci
Housing Authority Executive Director

By:



Debbie Potter
Housing Development and Programs Manager

Honorable Mayor and
Members of the City Council

May 3, 2011
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Approved as to funds and account,

A handwritten signature in black ink, appearing to read 'Fred Marsh', with a stylized flourish at the end.

Fred Marsh
Controller

Exhibit:

1. CDBG FY 2011-2012 Action Plan Summary

CC: FY 2010-2011 CDBG Subgrantees
Social Service Human Relations Board

EXHIBIT 1

**CDBG FY 2011-12
Action Plan Summary**
City Council Meeting May 3, 2011

The activities listed below are proposed to be funded with FY 2011-12 Entitlement and Program Income and reallocated CDBG funds from prior years. Program delivery costs support continuing projects that are funded with current and prior year funds. Final funding commitments are subject to satisfactory environmental clearance under 24CFR Part 58.

PUBLIC FACILITIES AND IMPROVEMENTS					
Activity & Description Implementing Agency	LOCATION/ ELIGIBILITY	HUD OBJECTIVE & OUTCOME	ACCOMP TYPE & UNITS	FUNDING SOURCES	
Alameda Boys and Girls Club Demolition of vacant building(s) and playground equipment to convert the site into a community garden as part of Alameda Boys and Girls Club programs.	CT 4276 570.201(c) 570.208(a)(1) 03E	Suitable Living Environment & Availability	1 11 - Public Facility	11 CDBG: PRIOR YR: HOME: OTHER: FY 11 TOTAL	\$30,000 \$0 \$0 \$0 \$30,000
<i>Alameda Boys and Girls Club</i>					
Alameda Food Bank Forklift Acquisition Purchase of a forklift for providing emergency food program serving low-income individuals citywide.	1900 Thau Wy & 650 W. Ranger 570.201(c) 570.208(a)(2) 03E	Suitable Living Environment & Availability	5,000 01 - People	11 CDBG: PRIOR YR: HOME: OTHER: FY 11 TOTAL	\$20,000 \$0 \$0 \$5,000 \$25,000
<i>Alameda Food Bank</i>					
Esperanza Library Machine Installation of library machine serving low-income community	CT 4276 570.201(c) 570.208(a)(1) 03E	Suitable Living Environment & Availability	1 11 - Public Facility	11 CDBG: PRIOR YR: HOME: OTHER: TOTAL	\$175,000 \$0 \$0 \$0 \$175,000
<i>Housing Authority</i>					
McKinley Park Building and Court Renovation Kitchen expansion and basketball court renovation serving low-income community.	CT 4276 570.201(c) 570.208(a)(1) 03F	Suitable Living Environment & Availability	1 11 - Public Facility	11 CDBG: PRIOR YR: HOME: OTHER: TOTAL	\$126,240 \$0 \$0 \$0 \$126,240
<i>Alameda Parks and Recreation Department</i>					
PUBLIC SERVICES					
Public Services Available Funding				11 TOTAL	\$215,545
Alameda Food Bank Staffing and operating costs to support emergency food programs.	1900 Thau Wy & 650 W. Ranger 570.201(e) 570.208(a)(2) 05W	Suitable Living Environment & Availability	TBD 01 - People	11 CDBG: PRIOR YR: HOME: OTHER: FY 11 TOTAL	TBD \$33,000 \$0 \$1,333,075 TBD
<i>Alameda Food Bank</i>					
Alternatives in Action College and Career Program Youth workforce after school and summer development program.	Community-wide 570.201(e) 570.208(a)(2) 05D	Economic Opportunity & Availability	TBD 01 - People	11 CDBG: PRIOR YR: HOME: OTHER: FY 11 TOTAL	TBD \$36,500 \$0 \$108,368 TBD
<i>Alternatives in Action</i>					

EXHIBIT 1

Activity & Description	LOCATION/ ELIGIBILITY	HUD OBJECTIVE & OUTCOME	ACCOMP TYPE & UNITS	FUNDING SOURCES
Implementing Agency				
Child Care Vouchers Limited-term vouchers for children of working parents. <i>BANANAS, Inc.</i>	Community-wide 570.201(e) 570.208(a)(2) 05L	Suitable Living Environment & Affordability	TBD 01 - People	11 CDBG: PRIOR YR: TBD HOME: \$48,300 OTHER: \$0 FY 11 TOTAL: \$48,787 TBD
Family Violence Prevention Services Enhanced prevention and information, referrals, legal counseling for victims of family violence. <i>Family Violence Law Center</i>	Community-wide 570.201(e) 570.208(a)(2) 05G	Suitable Living Environment & Accessibility	TBD 01 - People	11 CDBG: PRIOR YR: TBD HOME: \$26,500 OTHER: \$0 FY 11 TOTAL: \$539,205 TBD
Four Bridges Support group for mentally and emotionally disabled adults. Primary purpose is to help the disabled. <i>Bay Area Community Services</i>	1912 Central 570.201(e) 570.208(a)(2) 05B	Suitable Living Environment & Accessibility	TBD 01 - People	11 CDBG: PRIOR YR: TBD HOME: \$29,200 OTHER: \$0 FY 11 TOTAL: \$78,983 TBD
Housing Counseling Tenant/Landlord counseling, mediation, information and referral. <i>ECHO Housing</i>	Community-wide 570.201(e) 570.208(a)(2) 05K	Decent Housing & Accessibility	TBD 01 - People	11 CDBG: PRIOR YR: TBD HOME: \$17,200 OTHER: \$0 FY 11 TOTAL: \$350,330 TBD
Midway Shelter Homeless shelter and support services for women and children. Primary purpose is to help the homeless. <i>Building Futures with Women and Children</i>	Confidential 570.201(e) 570.208(a)(2) 03T	Suitable Living Environment & Accessibility	TBD 01 - People	11 CDBG: PRIOR YR: TBD HOME: \$60,000 OTHER: \$0 FY 11 TOTAL: \$330,566 TBD
Volunteer Income Tax Assistance Free income tax preparation assistance for low-income families. <i>Alameda Point Collaborative</i>	Community-wide 570.201(e) 570.208(a)(2) 05Q	Suitable Living Environment & Accessibility	TBD 01 - People	11 CDBG: PRIOR YR: TBD HOME: \$3,000 OTHER: \$0 FY 11 TOTAL: \$0 TBD
West Alameda Teen Club Youth recreation and leadership development program. <i>Alameda Boys and Girls Club</i>	Third & Brush 570.201(e) 570.208(a)(2) 05D	Suitable Living Environment & Accessibility	TBD 01 - People	11 CDBG: PRIOR YR: TBD HOME: \$15,500 OTHER: \$0 FY 11 TOTAL: \$168,640 TBD

EXHIBIT 1

Activity & Description Implementing Agency	LOCATION/ ELIGIBILITY	HUD OBJECTIVE & OUTCOME	ACCOMP TYPE & UNITS	FUNDING SOURCES
RESIDENTIAL REHABILITATION				
Substantial Rehabilitation Financial and technical assistance to restore and/or create affordable rental units in existing vacant or underutilized structures. <i>Economic Development Department</i>	Community-wide 570.202 570.208(a)(3) 14 A & 14 B	Decent Housing & Affordability	1 to 2 10 - Housing	11 CDBG: \$189,288 PRIOR YR: \$225,842 HOME: \$0 OTHER: \$450,000 FY 11 TOTAL \$639,288
Multi-Hazard Prevention /Senior Safety Program Financial assistance to assist low-income senior maintain safe living conditions. <i>Alameda Fire Department</i>	Community-wide 570.202 570.208(a)(3) 14 B	Decent Housing & Affordability	1 to 2 10 - Housing	11 CDBG: \$15,000 PRIOR YR: \$0 HOME: \$0 OTHER: \$0 FY 11 TOTAL \$15,000
Independence Plaza Senior Housing Renovation Financial assistance to replace nurses pull stations at Independence Plaza Housing Project <i>Housing Authority</i>	Community-wide 570.202 570.201(c) 570.208(a)(3) 14 B	Decent Housing & Affordability	1 to 2 10 - Housing	11 CDBG: \$100,000 PRIOR YR: \$0 HOME: \$0 OTHER: \$0 FY 11 TOTAL \$100,000
ECONOMIC DEVELOPMENT				
Alameda Point Collaborative CBDQ Financial assistance to approved Community-Based Development Organization providing CDBG-eligible economic development activities. <i>Alameda Point Collaborative</i>	Community-wide 570.203 570.208(a)(4) 17C & 17D	Economic Opportunity & Availability	1 to 3 13 - Jobs	11 CDBG: \$100,000 PRIOR YR: \$100,000 HOME: \$0 OTHER: \$0 FY 11 TOTAL \$100,000
Business Assistance Program Financial assistance to approved Community-Based Development Organization providing CDBG-eligible economic development activities. <i>Economic Development Department</i>	Community-wide 570.203 570.208(a)(4) 17C & 17D	Economic Opportunity & Availability	1 to 3 13 - Jobs	11 CDBG: \$65,000 PRIOR YR: \$50,000 HOME: \$0 OTHER: \$0 FY 11 TOTAL \$65,000
MICROENTERPRISE				
Women In Business Program Small business training and financial support for low income women. <i>Women's Initiative for Self Employment</i>	Community-wide 570.201(o) 570.208(a)(2) 18C	Economic Opportunity & Availability	40 08 - Businesses	11 CDBG: \$40,000 PRIOR YR: \$40,000 HOME: \$0 OTHER: \$47,717 FY 11 TOTAL \$87,717

EXHIBIT 1

Activity & Description	LOCATION/ ELIGIBILITY	HUD OBJECTIVE & OUTCOME	ACCOMP TYPE & UNITS	FUNDING SOURCES
Implementing Agency				
PLANNING AND TECHNICAL ASSISTANCE				
Habitat for Humanity Financial assistance to conduct financial and feasibility study of renovating 32 homes at Coast Guard's North Housing	CT 4274 570.201 (p) 570.208(a)(3) 14 A	Decent Housing & Affordability	32 10 - Housing	11 CDBG: \$26,000 PRIOR YR: \$0 HOME: \$0 OTHER: \$31,000 FY 11 TOTAL \$57,000
<i>Habitat for Humanity</i>				
PROGRAM ADMINISTRATION				
Fair Housing Services and Housing Counseling Services Fair housing education; housing discrimination counseling and testing.	Community-wide 570.206 21D	Decent Housing & Accessibility	TBD 10 - Housing	11 CDBG: \$25,000 PRIOR YR: \$16,000 HOME: \$0 OTHER: \$138,078 FY 11 TOTAL \$163,078
<i>ECHO Housing</i>				
EveryOne Home (formerly Continuum of Care) Implementation of Homeless Management Information System and development of funding resources for Alameda and other County homeless providers.	Community-wide 570.206 21A			11 CDBG: \$8,715 PRIOR YR: \$8,715 HOME: \$0 OTHER: \$0 FY 11 TOTAL \$8,715
<i>Alameda County</i>				
General Administration	570.206 21A			11 CDBG: \$253,678
Program Delivery	Various			11 CDBG: \$350,000
Unprogrammed Funds for cost overruns	22			11 CDBG: \$0
TOTAL FY 2008-09 CDBG ACTION PLAN FUNDING				\$1,739,466